

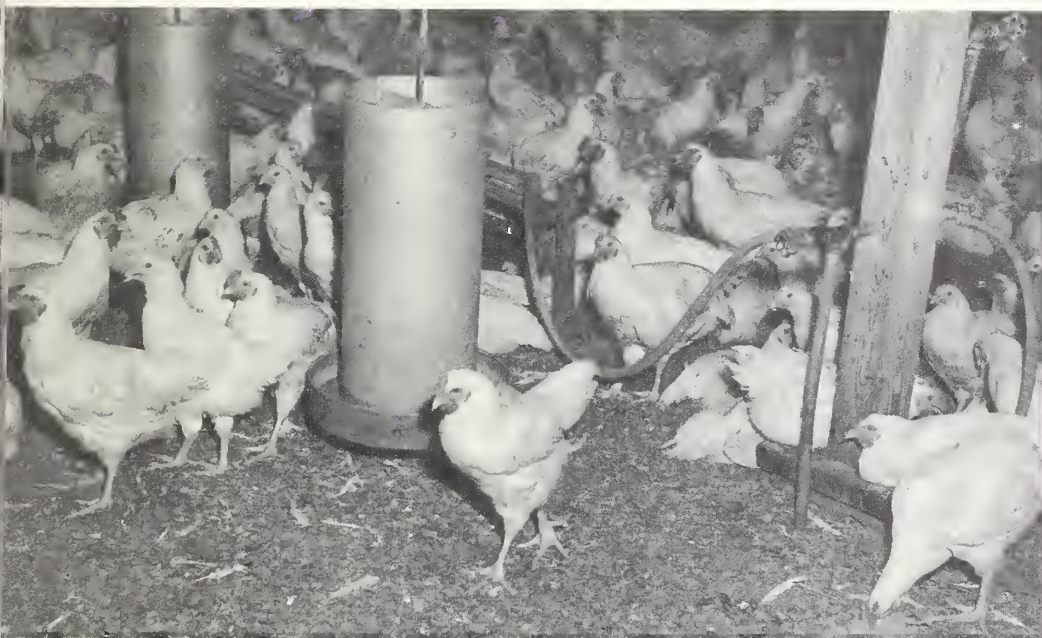
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COSTS and RETURNS



**Commercial
Broiler
Farms
Maine,
Delmarva,
and Georgia**

1966

FARM COSTS STUDIES

This report is part of a continuing nationwide study of costs and returns on commercial farms and ranches by type and size in some of the important farming regions of the United States. The study is conducted under the general supervision of Wylie D. Goodsell, Farm Production Economics Division, Economic Research Service. Objectives, methodology, procedure, and terms are uniform for all areas covered in the study.

The 1966 costs and returns studies have been conducted on the following:

Dairy Farms, Northeast and Midwest
 Corn Belt Farms
 Egg-Producing Farms, New Jersey
 Broiler Farms, Maine, Delmarva, and Georgia
 Cotton Farms
 Tobacco Farms, Coastal Plain, North Carolina
 Tobacco-Livestock Farms, Bluegrass Area, Kentucky and Penn-royal Area, Kentucky-Tennessee
 Wheat Farms, Plains and Pacific Northwest
 Western Livestock Ranches

Summary statistics for all types of farms in the study are presented in a report, revised annually. The latest such report was published in 1966 and is titled: "Farm Costs and Returns, Commercial Farms, by Type, Size, and Location," Agriculture Information Bulletin No. 230, Revised 1966.

Information on the studies can be obtained from Farm Production Economics Division, Economic Research Service, U.S. Department of Agriculture, Washington, D.C. 20250.

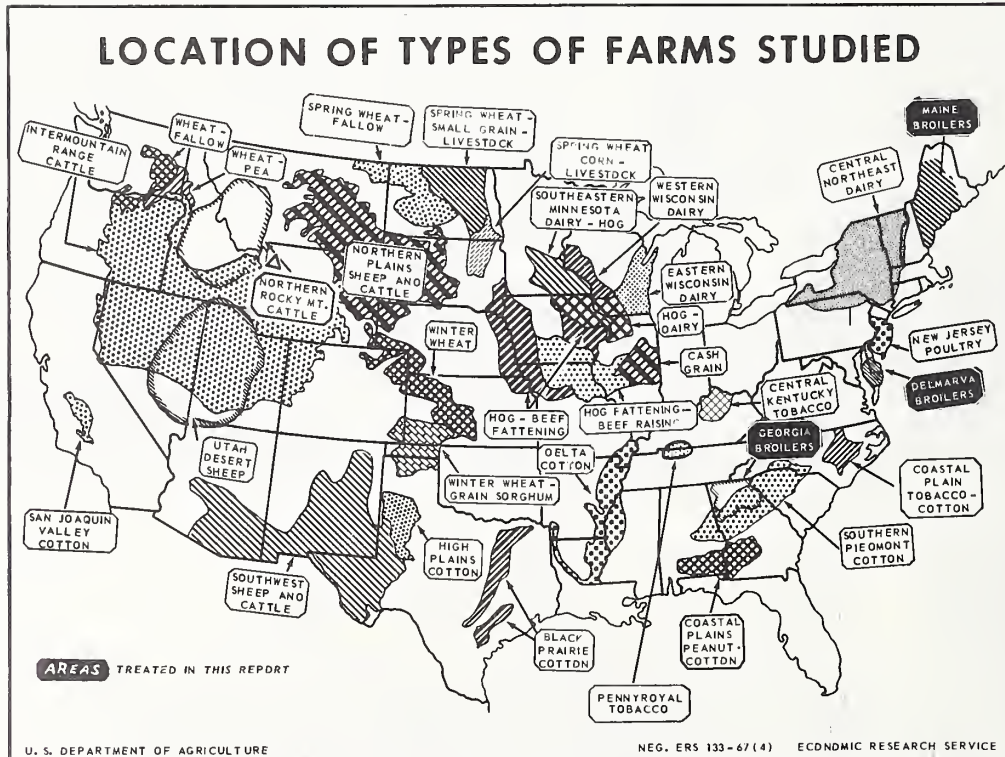


Figure 1

COSTS AND RETURNS

COMMERCIAL BROILER FARMS,

MAINE, DELMARVA, AND GEORGIA, 1966

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SUMMARY

Net farm incomes² in 1966 for typical broiler growers in north Georgia, Maine, and for broiler operators in Delmarva exceeded their 1965 net incomes (fig. 1). However, net returns declined 27 percent on Delmarva broiler-crop farms. Net farm incomes for 1965 and 1966 were as follows:

	<u>1965</u>	<u>1966</u>	<u>Percentage change</u>
Maine.....	\$2,751	\$3,210	17
Delmarva, broiler.....	2,738	2,864	5
Delmarva, broiler-crop.....	9,026	6,589	-27
Georgia.....	1,547	2,246	45

Cash receipts from broilers were up for all farms. Contract payment rates³ were greater in 1966 in all three areas. Payments per 1,000 birds produced were as follows:

	<u>1965</u>	<u>1966</u>	<u>Percentage change</u>
Maine.....	\$ 87	\$ 88	1
Delmarva.....	78	81	4
Georgia.....	75	85	13

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²For definition of net farm income, see note at end of table 1.

³Gross payment per 1,000 birds to growers for buildings, equipment, farm labor, and any supplies furnished by the grower. Birds and feed are supplied by the contractor. Georgia growers usually furnish fuel and litter. In Maine and Delmarva, these items are furnished by the contractors. The comparable payment for Georgia in 1966 (after deducting fuel and litter expense) averaged \$74.50 per 1,000 birds produced.

In 1966, growers in these areas expanded their production. The average numbers of birds produced per farm in 1965 and 1966 were as follows:

	1965	1966	Change from 1965 to 1966:	
			Number	Percent
Maine.....	72,800	80,080	7,280	10
Delmarva, broiler.....	57,380	61,970	4,590	8
Delmarva, broiler-crop.....	63,630	68,720	5,090	8
Georgia	32,600	37,160	4,560	14

The substantial increase in net farm income in Georgia resulted chiefly from greater broiler production per farm and the higher contract payment rate. Receipts from other enterprises contribute little on these farms and were up only slightly from the previous year.

In 1966, broiler production increased by 8 percent and receipts from broilers increased 11 percent on both types of Delmarva farms. However, broiler-crop farmers suffered a bad crop year because of drought. Crop yields were little more than half those of 1965 and reduced crop sales were responsible for the large drop in income.

Maine growers increased broiler production 10 percent in 1966, and the contractual payment rate was a little higher than in 1965.

Types of contracts in 1966 varied within areas as well as between areas. As usual, most of the changes made in contract provisions were designed to encourage efficiency in production.

Maine

In 1966, net farm income for commercial broiler growers in Maine averaged \$3,210 per farm, 17 percent above a year earlier (table 1). Gross farm income of \$7,705 per farm was greater than in 1965, and operating expenses increased 6 percent. An increase of 10 percent in production, and a higher contract payment per 1,000 birds more than offset higher operating expenses.

Maine growers averaged about 4.4 lots in 1966. They started approximately 18,980 birds (not including extras) per lot and produced an average of 80,080 birds (broilers and roasters) per farm.

Contractual returns were about \$7,050 per farm in 1966 compared with \$6,330 the preceding year. Payments averaged \$88 per 1,000 birds, up 1 percent from the previous year. This payment is a composite per unit return for both broilers and roasters. Payment for roasters was lower in 1966 than in 1965, but averaged much higher than for broilers to compensate for longer growing time, space, and added expense. Most growers in this area are paid on a per square foot per week basis for both broilers and roasters. In addition, many contracts provide for bonuses and incentive payments based on production efficiency. The general terms of most contracts in Maine were essentially the same as in 1965,

although some which had not before contained incentive clauses included them in 1966.

Maine broiler contracting firms (poultry processors) marketed broilers at 8-9 weeks of age. These birds averaged 3.8 pounds live-weight, the same as a year earlier. Other birds, mostly cockerels, were fed a longer period (12-13 1/2 weeks) and were sold as roasters. These roasters usually weighed between 5 and 7 pounds. Roasters comprised a slightly smaller proportion of the total birds produced than in 1965. Average grow-out time for roasters in 1966 was 93 days.

In 1966, the typical grower averaged about \$230 per farm from sales of hay, forest products, and other enterprises. Income from these sources changes little from year to year and, in 1966, comprised only 3 percent of total cash receipts.

Operating expenses in 1966 averaged \$4,495 per farm, about \$265 above the 1965 average. Costs were higher in 1966 because of added broiler house capacity, increased use of variable inputs associated with a larger number of birds and higher prices paid. Broiler house capacity per farm continued to trend upward at about the same rate as in 1965. In addition, construction costs per square foot averaged 6 percent above 1965. Most expenditure items showed slight-to-moderate increases in 1966. Prices paid averaged 4 percent above a year earlier, and total cash inputs increased 3 percent.

Delmarva, Broilers

In 1966, net farm income on specialized broiler farms averaged about \$2,865. This was about \$125

more than a year earlier (table 2). These farmers produce only broilers. Their cropland has either been sold or rented out. Some growers take off-farm employment to supplement their income and more fully utilize their resources. Gross farm income of \$5,630 was \$530 more than in 1965. Operating expenses were approximately \$2,765 in 1966, an increase on 17 percent from a year earlier.

Income increased in 1966 because of increased production and higher contract payments per 1,000 birds. Production in 1966 is estimated at 61,970 birds per farm, 8 percent above 1965. These growers averaged 4.2 lots in 1966 compared with 4.1 in 1965. Average liveweight per bird sold was 3.8 pounds in 1966 and unchanged from a year earlier.

Contractual payments for both the specialized and broiler-crop growers averaged \$81 per 1,000 birds produced in 1966, \$3 above a year earlier. Contractual agreements in Delmarva in 1966 displayed many variations as in the past. For the most part, contracts are designed to reward efficient production. Some provide a base payment which is adjusted up or down depending on how production costs for individual flocks compare with the average for a group of flocks. Others provide no base but offer a profit share in addition to a payment commensurate with cost of production performance. Some contracts were changed in 1966 to provide a higher base payment and changed from using feed conversion to production cost performance as a basis for payments. Other contract changes in 1966 included using the average cost of a specified number of flocks marketed rather than a weekly average to determine cost-based payments, and paying per pound produced rather than per bird started.

Table 1.--Organization, production, costs and returns, commercial broiler farms, Maine, 1965 and 1966

Item	Unit	Average 1957-59	1965	1966 <u>1/</u>
Land in farm-----	Acre	102	88	88
Cropland harvested-----	do.	3.6	2.5	2.4
Hay harvested-----	do.	3.6	2.5	2.4
Hay yield per harvested acre-----	Ton	1.20	1.10	1.40
Broilers started, per lot-----	Number	13,951	17,540	18,979
Broilers produced annually:				
Number-----	do.	54,790	72,802	80,082
Pounds-----	Pound	208,215	298,488	320,328
Tractors on farm-----	Number	.56	.49	.49
Total labor used-----	Hour	2,300	2,440	2,540
Operator and family-----	do.	1,910	2,050	2,130
Hired-----	do.	390	390	410
Total farm capital, Jan. 1-----	Dollar	23,970	35,390	37,590
Land and buildings-----	do.	17,690	25,530	27,300
Machinery and equipment-----	do.	6,280	9,860	10,290
Total cash receipts-----	do.	5,645	6,581	7,280
Broilers-----	do.	5,253	6,334	7,047
Crops-----	do.	110	74	88
Forest products-----	do.	98	94	97
Other, including Government payments----	do.	184	79	48
Value of perquisites-----	do.	329	401	425
Gross farm income-----	do.	5,974	6,982	7,705

Table 1.--Organization, production, costs and returns, commercial broiler farms,
Maine, 1965 and 1966--Continued

Item	Unit	Average 1957-59	1965	1966 <u>1/</u>
Total cash expenditures <u>2/</u> -----	Dollar	3,841	4,725	5,015
Farm buildings-----	do.	1,245	1,651	1,768
Machinery-----	do.	1,451	1,510	1,550
Hired labor-----	do.	407	484	528
Taxes-----	do.	314	509	563
Electricity and miscellaneous broiler expense-----	do.	358	468	496
Other-----	do.	66	103	110
Inventory adjustment, machinery and buildings-----	do.	-723	-494	-520
Total operating expenses-----	do.	3,118	4,231	4,495
Net farm income-----	do.	2,856	2,751	3,210
Purchasing power in 1947-49 dollars-----	do.	2,433	2,183	2,488
Charge for capital at current interest rates-----	do.	1,321	2,035	2,161
Return per hour, operator and family labor-----	do.	.80	.35	.49
Charge for capital at 4.1 percent interest-----	do.	983	1,451	1,541
Return per hour, operator and family labor-----	do.	.98	.63	.78
INDEX NUMBERS (1957-59=100):				
Gross farm income-----	---	100	117	129
Net farm income-----	---	100	96	112
Net farm production-----	---	100	126	140
Broilers produced annually-----	---	100	143	154
Production per hour of man labor-----	---	100	119	127
Production per unit of input-----	---	100	106	115
Operating expense per unit of production-----	---	100	108	103
Total cost per unit of production-----	---	100	107	103
Power and machinery (quantity)-----	---	100	120	120
Prices received for products sold-----	---	100	92	92
Prices paid, including wages to hired labor-----	---	100	108	112

1/ Preliminary. 2/ Feed, chicks, medicines, fuel, litter, and miscellaneous items are supplied by the broiler contracting firms.

Note: Information presented here is on an owner-operator basis primarily for comparability between types of farms. Net farm income is the return to operator and unpaid members of the family for their labor and management on the farm and return to total capital. No allowance has been made for payment of rent, interest, or mortgage.

Table 2.--Organization, production, costs and returns, commercial broiler farms,
Delmarva, 1965 and 1966

Item	Unit	Average 1957-59	1965	1966 <u>1/</u>
Land in farm-----	Acre	5	5	5
Birds started, per lot-----	Number	9,110	14,457	15,321
Broilers produced annually:				
Number-----	do.	30,557	57,376	61,966
Pounds-----	Pound	105,805	218,029	235,471
Tractors on farm-----	Number	.19	.21	.21
Total labor used-----	Hour	1,250	1,930	2,010
Operator and family-----	do.	880	1,680	1,750
Hired-----	do.	370	250	260
Total farm capital, Jan. 1-----	Dollar	11,110	20,960	23,670
Land and buildings-----	do.	9,480	18,000	20,380
Machinery and equipment-----	do.	1,630	2,960	3,290
Total cash receipts-----	do.	2,163	4,505	5,019
Broilers-----	do.	2,163	4,505	5,019
Other, including Government payments----	do.	---	---	---
Value of perquisites-----	do.	452	595	611
Gross farm income-----	do.	2,615	5,100	5,630

Table 2.--Organization, production, costs and returns, commercial broiler farms,
Delmarva, 1965 and 1966--Continued

Item	Unit	Average 1957-59	1965	1966 ^{1/}
Total cash expenditures ^{2/} -----	Dollar	2,153	3,397	3,492
Electricity and miscellaneous				
broiler expense-----	do.	111	198	211
Machinery-----	do.	795	1,010	1,022
Farm buildings-----	do.	784	1,701	1,714
Hired labor-----	do.	371	288	317
Taxes-----	do.	54	131	154
Other-----	do.	38	69	74
Inventory adjustment, machinery and buildings-----	do.	-682	-1,035	-726
Total operating expenses-----	do.	1,471	2,362	2,766
Net farm income-----	do.	1,144	2,738	2,864
Purchasing power in 1947-49 dollars-----	do.	974	2,173	2,220
Charge for capital at current interest rates-----	do.	613	1,258	1,420
Return per hour, operator and family labor-----	do.	.60	.88	.83
Charge for capital at 4.1 percent interest-----	do.	456	859	970
Return per hour, operator and family labor-----	do.	.78	1.12	1.08
INDEX NUMBERS (1957-59=100):				
Gross farm income-----	---	100	195	215
Net farm income-----	---	100	239	250
Net farm production-----	---	100	171	188
Broilers produced annually-----	---	100	206	223
Production per hour of man labor-----	---	100	111	117
Production per unit of input-----	---	100	116	119
Operating expense per unit of production-----	---	100	94	100
Total cost per unit of production-----	---	100	108	111
Power and machinery (quantity)-----	---	100	148	156
Prices received for products sold-----	---	100	113	116
Prices paid, including wages to hired labor-----	---	100	122	127

^{1/} Preliminary. ^{2/} Feed, chicks, medicines, and related items are supplied by the broiler contracting firms.

Note: Information is on an owner-operator basis primarily for comparability between types of farms. Net farm income is the return to operator and unpaid members of the family for their labor and management on the farm and return to total capital. No allowance has been made for payment of rent, interest, or mortgage.

Broiler capacity per farm continued to trend upward in 1966. New construction about kept pace with increased flock size and bird density was unchanged from a year earlier.

Total operating expenses for 1966 averaged approximately \$2,765 per farm compared with about \$2,360 in 1965. Increased taxes and higher wage rates accounted for the greatest increase in cash expenditures. Insurance costs rose slightly as did some variable costs which resulted from expansion in broilers produced. Fixed costs, which are associated with capacity, were also higher. Total input in 1966 was 12 percent above the 1965 level. Prices paid for production goods and services averaged 4 percent above a year earlier.

Delmarva, Broiler-Crop

In 1966, net farm income on typical broiler-crop farms averaged about \$6,590 per farm (table 3). This was nearly \$2,440 below that of 1965. Income from broilers increased \$570, but receipts from crops declined around \$2,645 from those of 1965. Operating expenses were 7 percent higher than a year earlier.

Corn and soybean prices were up in 1966, but yields were well below those of the previous year. Corn yields dropped from 78 bushels per acre in 1965 to 44 bushels in 1966 and those for soybeans decreased from 28 to 14 bushels per acre. Low yields were attributed to extremely dry weather conditions during the growing season.

Gross returns from broilers increased from about \$4,995 in 1965 to \$5,565 in 1966. Increased production per farm and a 3-percent higher contractual payment were responsible for this increase. Contract pay-

ments in 1966 averaged about \$81 per 1,000 birds produced compared with \$78 in 1965.

Average broiler capacity per lot in 1966 was about 17,200 birds. Total production was 68,720 birds per farm 5,090 more than were produced the previous year. This was an average of 4.2 lots per farm at full capacity.

Operating expense per farm in 1966 averaged about \$5,265 compared with \$4,915 the previous year. Per farm expense was higher for all items, with hired labor and taxes showing the largest upsurge. Both of these items increased by 12 percent. Some growers were partially compensated for electricity and a few minor supplies, but had to pay for building and machinery repairs, hired labor, and custom work on crops. Growers on the broiler-crop farms have the same type of contract for growing broilers as the specialized producers.

Georgia

In 1966, net farm income for typical broiler growers in Georgia averaged about \$2,245 per farm, about \$700 more than in 1965 and 128 percent more than the 1957-59 average (table 4). Income from other sources increased slightly in 1966 and accounted for around 16 percent of cash receipts. However, broiler sales of approximately \$3,160 contributed the bulk of the returns. Operating expense was up 9 percent from the 1965 level.

Production in 1966 averaged 37,160 birds per farm, up 4,560 from a year earlier. Increased production was the result of a larger average capacity and slightly more lots per farm. Growers in 1966 averaged 4.2 lots per farm compared with 4.0 in 1965.

Total contractual income per farm from broilers was about \$3,160 in 1966, up nearly \$715 from a year earlier. Contract payments in 1966 averaged \$85 per 1,000 birds produced. This was 13 percent more than the 1965 average. The higher broiler income also resulted from increased production.

Georgia growers furnish most of their fuel and litter while in Maine and Delmarva, these items are provided by the contractor. The cost of fuel and litter supplied by Georgia growers averaged \$10.50 per 1,000 birds in 1966. Therefore, the net contract payment in Georgia, on a comparable basis with Maine and Delmarva, was \$74.50 per 1,000 birds produced compared with \$88 and \$81 in 1966, respectively, in Maine and Delmarva. This estimated payment is below those in Maine and Delmarva, but most costs rates in Georgia are also somewhat lower.

Changes in Georgia contracts in 1966 were chiefly designed to encourage production efficiency and approved practices. For example,

some contracts provided for spraying of the houses by the contractor and a payment to the grower toward the purchase of shavings if the house was sprayed and cleaned properly. Many contracts were unchanged from 1965, but most already contained some incentive clauses.

In 1966, operating expenses per farm averaged about \$2,150, up \$175 from a year earlier (table 4). Purchased inputs increased more than 8 percent and prices paid for goods and services were nearly 4 percent higher than in 1965. Wages for hired labor and taxes were important items for which rates increased.

New housing construction was a little higher than in 1965. Added capacity was about the same as a year earlier, but cost per square foot increased by 5 cents. Continued expansion in construction is expected to keep pace with the growth in broiler production in this area and to increase efficiency as more up-to-date and better equipped houses are built.

Table 3.--Organization, production, costs and returns, commercial broiler-crop farms,
Delmarva, 1965 and 1966

Item	Unit	Average 1957-59	1965	1966 <u>1/</u>
Land in farm-----	Acre	106	116	120
Cropland harvested-----	do.	79	97	100
Crops harvested:				
Corn-----	do.	37.8	52.6	54.7
Soybeans-----	do.	40.9	44.7	45.6
Crop yields per harvested acre:				
Corn-----	Bushel	48.8	77.6	43.5
Soybeans-----	do.	22.4	27.8	14.2
Broilers started, per lot-----	Number	10,401	16,230	17,195
Broilers produced annually:				
Number-----	do.	38,014	63,630	68,720
Pounds-----	Pound	131,574	241,794	261,136
Tractors on farm-----	Number	1.30	1.50	1.53
Total labor used-----	Hour	2,230	2,790	2,930
Operator and family-----	do.	2,010	2,450	2,570
Hired-----	do.	220	340	360
Total farm capital, Jan. 1-----	Dollar	30,910	56,820	62,780
Land and buildings-----	do.	23,720	45,850	51,070
Machinery and equipment-----	do.	7,130	10,970	11,710
Crops and livestock-----	do.	60	---	---
Total cash receipts-----	do.	7,068	13,298	11,184
Broilers-----	do.	2,680	4,996	5,566
Crops-----	do.	4,254	7,962	5,319
Livestock and livestock products-----	do.	91	---	---
Other, including Government payments-----	do.	43	340	299
Value of perquisites-----	do.	501	644	699
Change in inventory of crops and livestock-----	do.	-12	---	---
Gross farm income-----	do.	7,557	13,942	11,853

Table 3.--Organization, production, costs and returns, commercial broiler-crop farms,
Delmarva, 1965 and 1966--Continued

Item	Unit	Average 1957-59	1965	1966 <u>1/</u>
Total cash expenditures <u>2/</u> -----	Dollar	3,623	5,845	6,157
Feed purchased and livestock expense-----	do.	53	49	54
Fertilizer and lime-----	do.	553	691	737
Other crop expense-----	do.	256	342	348
Machinery-----	do.	1,619	2,279	2,346
Farm buildings and fences-----	do.	638	1,666	1,768
Hired labor-----	do.	221	385	432
Taxes-----	do.	129	193	217
Other-----	do.	154	240	255
Inventory adjustment, machinery and buildings-----	do.	-398	-929	-893
Total operating expenses-----	do.	3,225	4,916	5,264
Net farm income-----	do.	4,332	9,026	6,589
Purchasing power in 1947-49 dollars-----	do.	3,684	7,163	5,108
Charge for capital at current interest rates-----	do.	1,742	3,462	3,825
Return per hour, operator and family labor-----	do.	1.29	2.27	1.08
Charge for capital at 4.1 percent interest <u>3/</u> -----	do.	1,307	2,383	2,632
Return per hour, operator and family labor-----	do.	1.50	2.71	1.54
INDEX NUMBERS (1957-59=100):				
Gross farm income-----	---	100	184	157
Net farm income-----	---	100	208	152
Net farm production-----	---	100	172	130
Broilers produced annually-----	---	100	184	198
Production per hour of man labor-----	---	100	138	100
Production per unit of input-----	---	100	133	98
Operating expense per unit of production-----	---	100	88	124
Total cost per unit of production-----	---	100	90	128
Power and machinery (quantity)-----	---	100	130	137
Prices received for products sold-----	---	100	105	118
Prices paid, including wages to hired labor-----	---	100	114	118

1/ Preliminary. 2/ Feed, chicks, medicines, fuel, litter, and miscellaneous items are supplied by the broiler contracting firms. 3/ Invested capital at 4.1 percent and production credit at current short-term interest rates charged by production credit associations on loans outstanding.

Note: Information presented here is on an owner-operator basis primarily for comparability between types of farms. Net farm income is the return to operator and unpaid members of the family for their labor and management on the farm and return to total capital. No allowance has been made for payment of rent, interest, or mortgage.

Table 4.--Organization, production, costs and returns, commercial broiler farms, Georgia,
1965 and 1966

Item	Unit	Average 1957-59	1965	1966 <u>1/</u>
Land in farm-----	Acre	64	65	65
Cropland harvested-----	do.	6.29	3.50	3.50
Crops harvested:				
Corn-----	do.	4.34	2.80	2.80
Hay-----	do.	1.95	.70	.70
Crop yields per harvested acre:				
Corn-----	Bushel	28.1	51.0	43.0
Hay-----	Ton	1.17	1.71	1.88
Livestock on farm, Jan. 1:				
All cattle-----	Number	6.06	7.00	6.79
Hogs-----	do.	2.60	.60	.60
Broilers started, per lot-----	do.	6,317	8,435	9,215
Broilers produced annually:				
Number-----	do.	22,083	32,594	37,157
Pounds-----	Pound	70,665	114,079	128,192
Tractors on farm-----	Number	.60	.64	.64
Total labor used-----	Hour	1,690	1,650	1,760
Operator and family-----	do.	1,580	1,520	1,620
Hired-----	do.	110	130	140
Total farm capital, Jan. 1-----	Dollar	12,610	18,940	21,260
Land and buildings-----	do.	8,320	14,020	16,030
Machinery and equipment-----	do.	3,540	4,130	4,330
Crops and livestock-----	do.	750	790	900
Total cash receipts-----	do.	2,012	2,999	3,744
Broilers-----	do.	1,590	2,445	3,158
Crops-----	do.	22	120	109
Livestock and livestock products-----	do.	239	221	214
Other, including Government payments-----	do.	161	213	263
Value of perquisites-----	do.	465	543	658
Change in inventory of crops and livestock-----	do.	13	-22	-9
Gross farm income-----	do.	2,490	3,520	4,393

Table 4.--Organization, production, costs and returns, commercial broiler farms, Georgia,
1965 and 1966--Continued

Item	Unit	Average 1957-59	1965	1966 <u>1/</u>
Total cash expenditures <u>2/</u> -----	Dollar	1,853	2,196	2,437
Feed purchased and livestock expense-----	do.	336	437	499
Fertilizer and lime-----	do.	42	30	30
Other crop expense-----	do.	4	4	4
Machinery-----	do.	950	966	1,026
Farm buildings and fences-----	do.	373	501	583
Hired labor-----	do.	64	107	123
Taxes-----	do.	38	77	90
Other-----	do.	46	74	82
Inventory adjustment, machinery and buildings-----	do.	-349	-223	-290
Total operating expenses-----	do.	1,504	1,973	2,147
Net farm income-----	do.	986	1,547	2,246
Purchasing power in 1947-49 dollars-----	do.	840	1,228	1,783
Charge for capital at current interest rates-----	do.	695	1,136	1,276
Return per hour, operator and family labor-----	do.	.18	.27	.60
Charge for capital at 4.1 percent interest-----	do.	517	777	872
Return per hour, operator and family labor-----	do.	.30	.51	.85
INDEX NUMBERS (1957-59=100):				
Gross farm income-----	---	100	141	176
Net farm income-----	---	100	162	228
Net farm production-----	---	100	131	144
Broilers produced annually-----	---	100	161	181
Production per hour of man labor-----	---	100	134	138
Production per unit of input-----	---	100	120	125
Operating expense per unit of production-----	---	100	101	100
Total cost per unit of production-----	---	100	102	104
Power and machinery (quantity)-----	---	100	97	98
Prices received for products sold-----	---	100	103	117
Prices paid, including wages to hired labor-----	---	100	113	117

1/ Preliminary. 2/ Feed, chicks, medicines, and miscellaneous items are supplied by the broiler contracting firms.

Note: Information presented here is on an owner-operator basis primarily for comparability between types of farms. Net farm income is the return to operator and unpaid members of the family for their labor and management on the farm and return to total capital. No allowance has been made for payment of rent, interest, or mortgage.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF AGRICULTURE

OFFICIAL BUSINESS